

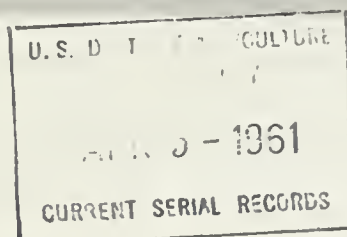
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FOREIGN AGRICULTURE CIRCULAR

U.S. DEPARTMENT OF AGRICULTURE
Foreign Agricultural Service Washington D.C.



BEANS
FDP 7-61
March 1961

CUBA IMPORTS

NON-U.S. BEANS

The U.S. exported fewer beans to Cuba in November and December 1960 than in any past corresponding period. The shipments totaled only 67,000 bags, or about one-third of November-December shipments in 1959, and less than half the average for such shipments in 1952-54.

The drop results largely from the 1960 decision of the Cuban Government that beans should be obtained from non-U.S. sources, when possible. Following the directive, Cuba imported in 1960, a known 186,000 bags of beans from 8 non-U.S. sources, including faraway Japan and Communist China.

Cuba has been a leading market for U.S. beans for nearly 20 years, and is the only sizable one for U.S. red beans of which exportable surpluses are produced nearly every year in Idaho, Washington, New York, Michigan and California.

Cuba has purchased two-thirds of its total bean consumption, and 80 to 100 percent of its total imports from the United States for many years. In 1959, the United States supplied 97 percent of Cuba's bean imports and all of them in the first 4 months of 1960. In the next 4 months, the U.S. share dropped to 88 percent, and to 50 percent in the last 4 months of 1960.

The largest non-U.S. source of supply uncovered by Cuba in 1960 was Japan, with 84,000 bags reported. Japan does not export beans as a necessity dictated by excess production, but to earn foreign exchange. Japan is one of the world's largest importers of beans and other pulses. It exports the higher-priced, home-produced beans, and imports much larger quantities of lower quality, lower-priced pulses of various sorts. In 1959, Japan exported nearly 500,000 bags, principally white beans (Otenashi) to Western Europe and imported 4 times that quantity of lima beans, Adzukis (cow peas), mung beans, dry peas, and broad beans from Burma and Communist China.

It is relatively simple for Japan to substitute high quality for low, or one kind of pulse for another, because much of the pulse is processed (ground) into a paste.

Thus, in August 1960, Japan announced an export quota of 640,000 bags of beans and simultaneously announced allocations of foreign exchange sufficient to import approximately 1.6 million bags of various sorts of pulses in the year ending September 1961.

That is about normal for Japan and makes it one of the world's largest pulse importers. After exporting the 84,000 bags of beans to Cuba, Japan reported that the export quota previously announced probably would be reduced; and, that few, if any, more beans would be available for Cuba. One probable reason for reducing or eliminating the export quota was the reduction in Japanese pulse production in 1960. Production of all pulses (beans, peas, Adzukis, Broad beans, etc.) dropped 4 percent below 1959. Beans alone dropped 12 percent.

Also, Japan lost possible imports from Communist China. Normally it imports 450,000 bags of broad beans, 210,000 bags of Adzukis and 160,000 bags of dry peas from China. In August 1959, China declared an embargo against this flow, but allowed shipment of pulses already bargained for by the Japanese to continue until September 1960. The Japanese were hoping to extend the date, but as of mid-January 1961, the embargo was still in effect, and the date for picking up the old purchases was reached 4 or 5 months previously. Judging by reports of serious food shortages in China, the export embargo may not be relaxed. This leaves Cuba's most important non-U.S. source of 1960 bean supply in rather weak position to supply any more.

Bulgaria was the second largest source found by Cuba in 1960. Bulgaria is reported to have supplied an additional 100,000 bags to Cuba already in 1961. Usually reliable sources, however, indicate that not more than one-half the normal export of beans was available from the 1960 Balkan crop, which includes the Bulgarian production.

In 1957 and 1958, the Balkans (Bulgaria, Rumania, Hungary, Czechoslovakia), exported more than 1 million bags of beans to Western Europe. Thus, this 500,000 bag availability in 1960-61 is one-half of past capacity. Furthermore, Yugoslavia, just across the border from some of these Balkan exporters, lost nearly one-third of its crop, or about 1 million bags, in 1960 by drought. Yugoslavia could compete strongly with Cuba for the limited Balkan supplies. But present Communistic affinity for Cuba could alter the situation.

Argentina and Belgium each supplied 20,000 bags of beans to Cuba in 1960.

Normally, Argentina exports less than 50,000 bags a year, principally to Italy, the Antilles, Belgium, the Netherlands, and West Germany. Cuba thus picked up, in late 1960, about 40 percent of Argentina's normal annual

export. It probably can do that well or better from the 1961 harvest now underway in Argentina. But to do so would reduce Argentina's export to more regular buyers, or reduce Argentina's domestic consumption.

Belgium usually is a net importer of 100,000 bags of beans a year and a reexporter of beans imported principally from Eastern Europe, Argentina, Chile and Africa. Cuba's purchase in Belgium thus amounts, in some measure, to buying indirectly from some of its own direct suppliers such as Argentina and Chile.

Costa Rica was the fifth largest Cuban source in 1960 and normally has no beans to export. It has been a net importer from Nicaragua and Honduras in most years. This year Costa Rican production has been damaged by flood and imports are being considered for 1961. (See Foreign Crops and Markets, Volume 82, March 13, 1961).

Next largest suppliers were Chile and Communist China with only 4,000 bags each. The 4,000 bags of small green and small red beans sent to Cuba by food-short China, during 1960, was hardly a token, as the large Chinese production amounts to many millions of bags, including several kinds of peas, and some kinds of beans. Latest information places Chinese production of dry peas alone at 60 million bags. The production of broad beans and Adzuki's (cow peas) probably exceeds pea production. Thus, the small quantity made available to Cuba indicates lack of trading enthusiasm.

The 4,000 bags Cuba obtained from Chile in 1960 was only a fraction of its normal annual import from this source. Normally, Cuba imports 40,000 to 50,000 bags of Chilean beans a year. Chile may not export many beans in 1961 as availability from the new harvest, now underway, is estimated to be 20 percent less than normal.

Most of the non-U.S. beans purchased by Cuba are not varieties to which the Cuban consumers are accustomed. Two-thirds of Cuba's imports in past years have been Red beans. Japan, the biggest non-U.S. supplier to Cuba, normally exports white beans. Japanese production includes red (Kintoki) beans, spotted (Uzura) beans, and white beans (Otenashi and Kotenashi). Production of all three kinds totals about 3 million bags.

The Balkans, the Netherlands, Belgium and Argentina long have exported white beans, principally to Western Europe. They may produce some colored beans, but not varieties to which Cubans are accustomed and exporting sizable quantities of colored beans would be abnormal. Chile, one of the smallest non-U.S. suppliers to Cuba in 1960, exports mostly white beans, but also a few red kidneys and small reds to Cuba.

Cuba's location of new sources of beans involves laborious effort, long shipments, and acceptance of new and unaccustomed varieties. Difficulties are aggravated by the fact that no normal bean exporter, other than the United States, can supply more than a small fraction of the million bags heretofore imported by Cuba. The United States supplies one-half of the world's total bean exports and a considerably larger proportion of the colored bean exports.

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